

15U - STRATEGIC PRIORITY - AFFORDABLE HOUSING

Operational Summary

Description:

Fund 15U facilitates the expenditure of general funds and Single Family Housing funds that are dedicated to the creation and preservation of affordable housing in Orange County.

Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
REDUCE PERCENT OF AFFORDABLE HSG OPPORTUNITIES NEEDED AS ID BY THE REGIONAL HOUSING NEEDS ASSESSMENT What: Affordable Housing Opportunities include creating new and preserving existing affordable housing units. Why: Increasing affordable housing opportunities will help bridge the gap in the OC housing market.	HCS saw seven grand openings of affordable housing projects and three ground-breakings.	HCS will continue with the NOFA process and will issue one NOFA for \$5 million.	Since 2000, ground has been broken for the development of over 1,500 affordable units. HCS expects to produce over \$270 million of affordable housing construction with a County investment of \$24.6 million.

FY 2003-2004 Key Project Accomplishments:

- In 2003, Housing and Community Services (HCS) held four Grand Openings of affordable housing developments: Vintage Shores, Talega Phase I, Westminster Senior Apartments, and Linbrook. These provided a total of 403 new affordable units. HCS issued one Notice of Funding Availability (NOFA) early in the year for \$5,000,000 to fund 360 new affordable housing units, and a second NOFA in October.

STRATEGIC PRIORITY AFFORDABLE HOUSING - This fund facilitates the expenditure of Single Family Housing funds that are dedicated to the creation and preservation of affordable housing in Orange County.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. HCS supports this priority by allocating over \$2.3 million in block grant funding through the ARC process for FY 04-05. Combined with over \$2.5 million appropriated in fund 117 and

the Redevelopment commitment to affordable housing development, over \$30 million is allocated to fund affordable housing projects. Of that amount, \$12 million has already been committed to projects. HCS will continue to solicit projects through a Request for Proposals (RFP) and Notice of Funding Availability (NOFA) for development of affordable rental housing. The goal of the RFP and the NOFA is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households by providing favorable financing.

Changes Included in the Recommended Base Budget:

Fund 15U, Strategic Priority Affordable Housing, was created during FY 02-03 to account for the monies allocated by the Board of Supervisors to the creation of affordable housing. During FY 02-03, \$5 million was transferred into this fund from 15B, Single Family Housing. The budget for FY 04-05 reflects the \$5 million less administrative costs for FY 03-04 and 04-05. The administrative costs are budgeted under 15G offset from 15U. The majority of the funds in this budget are already committed to projects.

Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected ⁽¹⁾ At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	5,000,000	4,882,357	4,882,357	3,254,194	(1,628,163)	-33.35
Total Requirements	117,643	4,882,357	1,628,163	3,254,194	1,626,031	99.87
Balance	4,882,357	0	3,254,194	0	(3,254,194)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Strategic Priority - Affordable Housing in the Appendix on page 584.

Highlights of Key Trends:

- Over the past decade, the County has been experiencing a severe shortage of affordable housing. By the year 2005, the Regional Housing Assessment Needs (RHNA) for the unincorporated areas of Orange County calls for 22,407 additional housing units, 7,034 of which should be made affordable to very-low and low-income households. The development and preservation of affordable housing stock is challenged not only by funding short-

ages, but also by market conditions such as escalating rents, lack of appropriately zoned land, increased market demands, and community resistance. In the face of all these challenges, HCS will continue to pursue its goal of increasing and preserving affordable housing opportunities for lower income Orange County residents.

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Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003		FY 2003-2004	FY 2003-2004	FY 2004-2005	Change from FY 2003-2004					
	Actual		Budget As of 3/31/04	Projected ⁽¹⁾ At 6/30/04	Recommended	Projected Amount	Percent				
Other Financing Sources	\$	5,000,000	\$	0	\$	0	0.00%				
Total FBA		0		4,882,357		3,254,194	(1,628,163) -33.35				
Total Revenues		5,000,000		4,882,357		3,254,194	(1,628,163) -33.35				
Services & Supplies		117,643		4,784,898		1,628,163	3,254,194 1,626,031 99.87				
Other Financing Uses		0		97,459		0	0 0 0.00				
Total Requirements		117,643		4,882,357		1,628,163	3,254,194 1,626,031 99.87				
Balance	\$	4,882,357	\$	0	\$	3,254,194	\$	0	\$	(3,254,194)	-100.00%

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).